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April 14, 2000

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EXECUTIVE SECRETARY

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505


Re: Petition of MCI WorldCom to Enforce Interconnection Agreement with
BellSouth
Docket No. 99-00662

Dear David:

Please find enclosed three copies of MCI WorldCom's First set of Interrogatories and Production of Documents which were hand delivered to BellSouth Telecommunications, Inc. today in the above-captioned proceeding.

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:


Henry Walker

HW/nl
c: Guy Hicks, counsel for BellSouth
Attachment

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April 14, 2000

Guy M. Hicks, Esq.
BellSouth Telecommunications, Inc.
Suite 2101
333 Commerce Street
Nashville, Tennessee 37201-3300


Re: *Petition of MCI WorldCom to Enforce Interconnection Agreement
with BellSouth Telecommunications, Inc.*
Docket No. 99-00662

Dear Guy:

Please find enclosed MCI WorldCom's First Set of Interrogatories and Production of Documents to BellSouth in the above-captioned proceeding.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: 
Henry Walker

HW/nl
Enclosure

BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee

IN RE: PETITION OF MCI WORLDCOM TO ENFORCE INTERCONNECTION
AGREEMENT
DOCKET NO. 99-00662

**MCI WORLDCOM'S FIRST REQUEST FOR PRODUCTION
OF DOCUMENTS UPON
BELLSOUTH TELECOMMUNICATIONS, INC.**

Pursuant to Rule 34, Tennessee Rules of Civil Procedure, MCI WorldCom, Inc. ("MCI WorldCom"), through counsel, hereby serves the following First Request for Production of Documents upon BellSouth Telecommunications, Inc., ("BellSouth").

Please produce the following documents at the law office of Boulton Cummings Connors & Berry, 414 Union Street, Suite 1600, P.O. Box 198062, Nashville, Tennessee 37219 to the attention of Henry Walker, Esq. no later than thirty days after service of this request for the purpose of inspection and copying.

DEFINITIONS

As used herein, the word "documents" shall mean the original and any non-identical copies of any writing or record, including but not limited to a book, pamphlet, periodical, letter, memorandum, telegram, report, study, interoffice or intraoffice, handwritten or other notes, working paper, draft, application, permit, chart, paper, graph, survey, index, tape, disc, data sheet or data processing card, computer printout, or any other written, recorded, transcribed, filed or graphic matter, however produced or reproduced.

The “Agreement” is the interconnection agreement between MCI WorldCom and BellSouth approved by the TRA on May 30, 1997 (Docket 97-00445).

“ESPs” means enhanced or information service providers, including Internet service providers (“ISPs”). It is used throughout in this inclusive sense, unless otherwise indicated.

MCI WorldCom's First Request for
Production of Documents
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Request No. 1

Please produce all documents identifying ESPs served by BellSouth in Tennessee and indicating whether those ESPs purchase their services from BellSouth's interstate or intrastate tariffs.

MCI WorldCom's First Request for
Production of Documents
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Request No. 2

Please produce all documents which reflect, refer or relate in any way to the subject matter of the document, "CLEC Policy - Unintended Consequences," dated 11/14/97 and attached hereto as **Exhibit A.**

MCI WorldCom's First Request for
Production of Documents
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Request No. 3

Please produce all documents which reflect, refer, or relate to the August 12, 1997, memo from Ernest Bush to CLECs and all documents which reflect, refer or relate to the decision to send that memo.

MCI WorldCom's First Request for
Production of Documents
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Request No. 4

Please produce all documents which reflect, refer or relate to any discussions held by or within the group, committee, entity or project known as Project Harmonize pertaining to the subject of reciprocal compensation for ESP traffic.

MCI WorldCom's First Request for
Production of Documents
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Request No. 5

Please produce all documents which reflect, refer or relate to any and all discussions within BellSouth on the subject of reciprocal compensation for ESP traffic which occurred during the period January 1, 1995, through and including the present.

MCI WorldCom's First Request for
Production of Documents
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Request No. 6

Please produce all documents which reflect, refer or pertain to any efforts BellSouth has made to meter traffic to ESPs or otherwise segregate such traffic from other traffic.

MCI WorldCom's First Request for
Production of Documents
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Request No. 7

Please produce all documents which reflect, refer or pertain to any studies, tests, analyses, reports or other efforts you have undertaken to determine the accuracy of any mechanism in place for metering or otherwise segregating ESP traffic from other traffic.

MCI WorldCom's First Request for
Production of Documents
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Request No. 8

Please produce all documents which reflect, refer or pertain to the minutes of use, as recorded by BellSouth, for which MCI WorldCom has terminated traffic from BellSouth customers in Tennessee to ESPs in Tennessee pursuant to the Agreement between BellSouth and MCI WorldCom, from the date of the Agreement to the present.

MCI WorldCom's First Request for
Production of Documents
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Request No. 9

Please produce all documents which reflect, refer or pertain to the minutes of use, as recorded by BellSouth for which BellSouth has terminated traffic from MCI WorldCom customers in Tennessee to ESPs served by BellSouth in Tennessee pursuant to the Agreement between BellSouth and MCI WorldCom, from the date of the Agreement to the present.

MCI WorldCom's First Request for
Production of Documents
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Request No. 10

Please produce all documents which reflect, refer or pertain to BellSouth's withholding payment for all or part of any MCI WorldCom invoices for reciprocal compensation from the first such invoice to the present time.

MCI WorldCom's First Request for
Production of Documents
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Request No. 11

Please produce all documents which reflect, refer or pertain to any cost studies prepared by or on behalf of BellSouth demonstrating the cost differences, if any, between transporting and terminating ESP-bound traffic and other types of local traffic on BellSouth's network or any other network.

MCI WorldCom's First Request for
Production of Documents
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Request No. 12

Please produce all documents which reflect, refer or pertain to any statements BellSouth has made that BellSouth intended to exclude ESP traffic from its reciprocal compensation obligations to MCI WorldCom during the negotiations leading to the Agreement.

MCI WorldCom's First Request for
Production of Documents
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Request No. 13

Please produce all documents which reflect, refer or relate to any decision by BellSouth not to pay reciprocal compensation to MCI WorldCom for ESP traffic or any other traffic.

MCI WorldCom's First Request for
Production of Documents
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Request No. 14

Please produce all documents which reflect, refer or relate to any decision by BellSouth not to pay reciprocal compensation to MCI WorldCom for ESP traffic or any other traffic.

MCI WorldCom's First Request for
Production of Documents
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Request No. 15

Please produce all documents which reflect, refer or relate to any communications between BellSouth and any other person or entity concerning the payment or non-payment of any reciprocal compensation invoiced by MCI WorldCom.

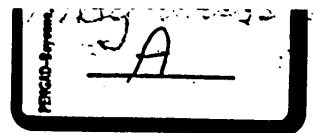
MCI WorldCom's First Request for
Production of Documents
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Request No. 16

Please produce all documents which you identified, or upon which you relied, in preparing your answers to MCI WorldCom's First Set of Interrogatories to BellSouth in this matter.

MCI WorldCom's First Request for
Production of Documents
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Request No. 17

Please produce the "Georgia Data Warehouse Study." Refer to Interrogatory No. 11, First set.

11/14/97



CLEC Policy - Unintended Consequences

In North Carolina CLECs have 9,092 trunks from BST to their POPs while only 3,360 trunks are in service from their POPs to BST switches. We have been informed by USLEC that they will require to add 16,688 additional trunks from BST into their POPs over the next two months. No additions are planned from their POPs to BST switches. These additions will bring the total trunks from BST to CLECs to 25,780 or 7.7 times the number needed for their customers to call BST customers.

This creates significant financial loss to BST. In some cases the CLECs mirror BST pricing. On a recent installation of trunks from BST to a CLEC the installation charges totaled \$109.53 per trunk. At this rate the installation of the trunks in the first paragraph would result in BST paying out \$2.82M while we receive only \$0.37M. Minute-of-use billing for trunked traffic results in similarly disparate monthly billing between BST and CLECs. This is certainly not the balanced reciprocal relationship that was envisioned when contracts were negotiated.

Our current efforts to remedy this situation by refusing to pay minutes-of-use to Enhanced Service Providers have resulted in contentious and litigious relationships that are not conducive to healthy ongoing business activity. We may reasonably expect the CLECs who are offended by our position to use all available legal and regulatory venues to air their concerns. Whether we win or lose the issue, the resulting uncertainty will not enhance our position as an active supporter of competition who should be allowed into the long distance business.

Most of this situation is generally understood so far. What seems to be missing in most of the discussions I have heard is a clear view of the root cause of this dilemma. When negotiating contracts with CLECs for local traffic interconnection we could have chosen a simpler bill-and-keep strategy that would not have provided perverse incentives to the CLECs.

Bill-and-keep has been used with independent companies for several years. It has resulted in improved relationships, simpler interfaces, and an almost total absence of billing disputes. The one issue that developed in the bill-and-keep environment was efforts by interexchange carriers to avoid access charges by arranging with independent companies to route interlata traffic through bill-and-keep trunks where call recording is not required. Once this problem was understood, it was relatively simple to detect the offending independent companies and prosecute the issue.

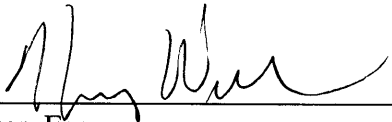
One way to improve relations with CLECs might be to offer bill-and-keep as an alternative to the impending litigation that has resulted from our current contracts with their inherent perverse incentives.

11 BST 036306
CONFIDENTIAL

Dated this _____ day of April, 2000.

Respectfully submitted,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: 
Henry Walker, Esq.
414 Union Street, Suite 1600
P.O. Box 198062
Nashville, Tennessee 37219
(615) 252-2363

BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee

IN RE: PETITION OF MCI WORLDCOM TO ENFORCE
INTERCONNECTION AGREEMENT
DOCKET NO. 99-00662

**MCI WORLDCOM'S FIRST SET OF INTERROGATORIES TO
BELL SOUTH TELECOMMUNICATIONS, INC.**

Pursuant to Rule 33, Tennessee Rules of Civil Procedure, MCI WorldCom, Inc. ("MCI WorldCom"), through counsel, hereby serves its First Set of Interrogatories to BellSouth Telecommunications, Inc. ("BellSouth"). These interrogatories shall be answered under oath by officers or agents of BellSouth, who are qualified to answer and who shall be fully identified, with said answers being served as provided pursuant to the Tennessee Rules of Civil Procedure.

DEFINITIONS

"You," "your," "it," "its," "Company" or "BellSouth" refers to BellSouth Telecommunications, Inc., its officers, employees and authorized agents.

"Document" refers to written matter of any kind, regardless of its form, and to information recorded on any storage medium, whether in electrical, optical or electromagnetic form, and capable of reduction to writing by the use of computer hardware and software.

"Identify" means:

- (a) With respect to a person, to state the person's name, address and business

relationship (e.g., "employee") to the Company;

(b) With respect to a document, to state the nature of the document in sufficient detail for identification in a request for production, its date, its author, and to identify its custodian. If the information or document identified is recorded in electrical, optical or electromagnetic form, identification includes a description of the computer hardware or software required to reduce it to readable form.

"Act" refers to the Communications Act of 1934 as amended by the Telecommunications Act of 1996.

"ESPs" means enhanced or information service providers, including Internet service providers ("ISPs"). It is used throughout in this inclusive sense, unless otherwise indicated.

"Complaint" means the Complaint filed by MCI WorldCom initiating this action together with any amendments thereto.

The "Agreement" is the interconnection agreement between MCImetro Access Transmission Services, Inc. ("MCImetro Access")¹ and BellSouth approved by the TRA on May 30, 1997 (Docket 97-00445).

INSTRUCTIONS

These Interrogatories are continuing in nature. Thus, in the event you obtain additional information with respect to any Interrogatory after it has been answered, you are required to supplement your response following the receipt of such additional information,

¹ MCImetro Access is an affiliate of MCI WorldCom. For simplicity, this first set of interrogatories will hereafter refer to MCImetro as MCIWorldCom.

giving the additional information to the same extent as originally requested. If you are unwilling to supplement its responses, please so state.

In the event you assert that any information requested herein is privileged, you should identify any such information and any supporting documents in your written response, by date, and provide a general description of its content. You also should identify all persons who participated in the preparation of the document and all persons, inside or outside of BellSouth, who received a copy, read or examined any such document. In addition, you should describe, with particularity, the grounds upon which privilege is claimed.

In the event that you assert that any requested information is not available in the form requested, in your written response thereto, you should disclose the following:

The form in which the requested information currently exists (identifying documents by title or description);

The earliest dates, time period, and location that representatives of MCI WorldCom may inspect your files, records or documents in which the information currently exists.

For each Interrogatory answered, provide the name of the person or persons answering, the title of such person(s), and the name of the witness or witnesses who will be prepared to testify concerning the matters contained in each response or document produced.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 1

1. Identify all persons who have knowledge or information concerning the facts set forth in MCI WorldCom's Complaint and BellSouth's responsive pleadings and provide a general description of each person's knowledge.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 2

2. Does BellSouth serve ESPs, including ISPs, in Tennessee?
 - a. Please identify any ESPs served by BellSouth in Tennessee.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 3

3. Does BellSouth serves its ESP customers in Tennessee out of its interstate or intrastate tariffs?

a. State whether BellSouth's method of serving such customers under either interstate or intrastate tariffs has changed at any time since January 1, 1996; if so, why did it change, how did it change and when did it change.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 4

4. Does BellSouth treat revenues and expenses associated with its services to ESPs as interstate or intrastate for separations and ARMIS reporting purposes?

- a. Has BellSouth's treatment of revenues and expenses associated with services provided to ESPs for those purposes changed at any time since January 1, 1996?
- b. If it has, for each instance, why did it change, how did it change and when did it change?

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 5

5. When a BellSouth telephone exchange customer calls a BellSouth-served ESP within that caller's local calling area, does BellSouth treat the call as a local call pursuant to its intrastate tariffs or as a long distance call pursuant to interstate tariffs?

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 6

6. If any of BellSouth's customers with message unit or per minute rated service were to call an ESP, would BellSouth include such calls to ESPs in local telephone charges?

- a. Does BellSouth have such customers?
- b. If it does, does it include such calls in local telephone charges?

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 7

7. Since January 1, 1995, has BellSouth made any effort to meter traffic to ESPs served by BellSouth originating from MCI WorldCom end users or otherwise segregate such traffic from other traffic?

- a. Describe all efforts by BellSouth to meter such traffic or otherwise segregate such traffic from other traffic, including, but not limited to, a description and the date of each step BellSouth took from January 1, 1995 to the present to identify minutes of use terminating to BellSouth customers that are ESPs.
- b. In particular, describe in detail the method used for this purpose in effect at the time of executing the Agreement.
- c. Identify all persons who participated in these efforts and all documents which evidence this activity by BellSouth.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 8

8. If your answer to Interrogatory No. 7 is that BellSouth had or has mechanisms or processes in place to meter or segregate ESP traffic, what tests, if any, did it conduct to determine the accuracy of these mechanisms or processes? Please answer this interrogatory with respect to each and every mechanism or process implemented for this purpose, and particularly for the mechanisms or processes in effect at the time of executing the Agreement.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 9

9. Since January 1, 1995, has BellSouth made any effort to meter traffic to ESPs served by MCI WorldCom, originating from BellSouth end users or otherwise segregate such traffic from other traffic?

- a. Describe all efforts by BellSouth to meter such traffic or otherwise segregate such traffic from other traffic, including, but not limited to, a description and the date of each step BellSouth took from January 1, 1995 to the present to identify minutes of use terminating MCI WorldCom customers that are ESPs.
- b. In particular, describe in detail the method used for this purpose in effect at the time of executing the Agreement.
- c. Identify all persons who participated in these efforts and all documents which evidence this activity by BellSouth.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 10

10. Identify Project Encore. Identify when Project Encore was formed or created; identify the goals, purpose and objectives of Project Encore. Identify all persons who were members of Project Encore or who participated in any meetings or discussions conducted by Project Encore. Identify all actions, meetings, discussions and/or communications involving Project Encore which related, referred or pertained to the issue of the payment or non-payment of reciprocal compensation for traffic bound for ESPs and identify all documents reflecting, referring, relating to or pertaining to any such discussions.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 11

Describe the "Georgia Data Warehouse Study."

- a. What were the principal conclusions of the "Georgia Data Warehouse Study"?

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 12

12. With regard to the document captioned "CLEC Policy - Unintended Consequences," dated 11/14/97 and attached hereto as **Exhibit A**:

- a. Identify the person(s) who prepared the document and their job-related responsibilities;
- b. Identify the person(s) who directed that the document be prepared and their job-related responsibilities;
- c. Identify the person(s) who received a copy of the document, or any document mentioning or concerning the document and their job-related responsibilities;
- d. Identify the facts or occurrences that which led to the preparation of the document;
- e. Identify the purpose for preparing the document; and
- f. Identify any other documents which mention or concern the document.
- g. Identify any and all actions taken and documents created as a result of the document.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 13

13. Identify all persons who participated in the decision to send the August 12, 1997 Ernest Bush memo to CLECs regarding the billing and payment of reciprocal compensation for ESP traffic; identify all discussions, meetings and communications which led to that decision, all persons who participated in drafting, reviewing or editing that memo and all documents which reflect, refer or relate thereto.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 14

14. To the extent that the group, committee, entity or project known as Project Harmonize ever discussed the subject of reciprocal compensation for ESP traffic, state the dates of all such discussions, the persons who participated in all such discussions, the substance of all such discussions, the results of all such discussions and identify all documents that reflect, refer or relate to all such discussions.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 15

15. State the number of minutes of use, as recorded by BellSouth, for which MCI WorldCom has terminated traffic from BellSouth customers in Tennessee to ESPs served by MCI WorldCom in Tennessee pursuant to the interconnection agreement between BellSouth and MCI WorldCom from the date of the Agreement to the present time.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 16

16. State the number of minutes of use, as recorded by BellSouth, for which MCI WorldCom has terminated traffic from BellSouth customers in Tennessee to MCI WorldCom customers other than ESPs in Tennessee pursuant to the interconnection agreement between BellSouth and MCI WorldCom from the date of the Agreement to the present time.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 17

17. State the number of minutes of use, as recorded by BellSouth, for which BellSouth has terminated traffic from MCI WorldCom customers in Tennessee to ESPs served by BellSouth in Tennessee pursuant to the interconnection agreement between BellSouth and MCI WorldCom from the date of the Agreement to the present time.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 18

18. State the number of minutes of use, as recorded by BellSouth, for which BellSouth has terminated traffic from MCI WorldCom customers in Tennessee to BellSouth customers other than ESPs in Tennessee pursuant to the interconnection agreement between BellSouth and MCI WorldCom from the date of the Agreement to the present time.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 19

19. For each month from January 1, 1997, through and including the present, did BellSouth exclude from its reciprocal compensation invoices to MCI WorldCom minutes of use for calls terminated to BellSouth customers that are ESPs. If BellSouth did exclude such traffic, answer the following for each invoice which excluded such minutes of use:

- a. Identify the invoices which excluded such minutes of use;
- b. Identify the month or time period of the minutes of use excluded; and
- c. Identify the total number of minutes of use excluded.
- d. Identify the way in which excluded minutes of use have been or are identified on the invoices

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 20

20. Identify any and all applicable tariff or contractual provisions that BellSouth considers pertinent to the payment of compensation for calls placed by BellSouth customers and terminated by MCI WorldCom to an ESP on MCI WorldCom's network, including any provisions related to interest and penalties.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 21

21. Does BellSouth believe that ESP traffic is subject to reciprocal compensation?
- a. What is the basis for that belief?
 - b. If BellSouth believes ESP traffic is not subject to reciprocal compensation, how is the cost of transporting and terminating traffic to ESPs to be recovered?
 - c. What is the basis for the answer to subpart b?

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 22

22. What provisions in BellSouth's interconnection agreement with MCI WorldCom or in BellSouth's tariffs relate in any way to the meaning of the term "local traffic?" Please identify such provisions with specificity.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 23

23. Where does a call to an ESP terminate? Explain.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 24

24. By industry custom, it has been stated that a call is considered terminated on the PSTN when it is handed off at the terminating carrier's switch and delivered to the called party's premises, establishing a connection with the called party, with answer supervision returned and a call record generated.

- a. Does BellSouth agree that that statement applies for billing purposes in the context of a call placed to an end user other than an ESP? If not, explain.
- b. Does BellSouth agree that that statement applies for billing purposes in the context of a call placed to an ESP? If not, explain.
- c. If BellSouth agrees that that statement applies in one context but not in the other, explain what differences in the contexts support such a distinction.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 25

25. Describe in detail the basis on which BellSouth has disputed and withheld payment of MCI WorldCom invoices for reciprocal compensation from the first such invoice to the present time.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 26

26.

- a. What is an ESP? Is an ESP an "end user?"
- b. What is an ISP? Is an ISP an "end user?"

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 27

27. Does BellSouth switch or treat traffic bound to an ESP served by MCI WorldCom any differently from any other traffic originated on BellSouth's network for delivery to a non-ESP customer served by MCI WorldCom?

- a. If it does, describe in detail how it is switched or treated differently, why it is switched or treated differently and describe all facilities used for the transport and termination of that traffic that are different from the facilities used to transport and terminate non-ESP traffic.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 28

28. If it is BellSouth's position that it did not intend that ESP traffic would be subject to reciprocal compensation payment under its interconnection agreement with MCI WorldCom, identify what provisions, or provisions, if any, in those agreements support that position and explain why they do.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 29

29.

- a. At any time during the negotiations leading to the Agreement, did BellSouth state an intention to exclude ESP traffic from treatment as local traffic for reciprocal compensation purposes? If BellSouth contends that it stated such an intention, identify the circumstances under which it advised MCI WorldCom of its intention including, the person(s) who made the statement(s), the person(s) the statements were made to, the date(s) the statement(s) was(were) made, the substance of the statement(s) and all documents which reflect, refer or related to such statement(s).
- b. At any time during the negotiations leading to the Agreement, did MCI WorldCom state an intention to exclude ESP traffic from treatment as local traffic for reciprocal compensation purposes? If BellSouth contends that MCI WorldCom stated such an intention, identify the circumstances under which it advised BellSouth of its intention including, the person(s) who made the statement(s), the person(s) the statements were made to, the date(s) the statement(s) was(were) made, the substance of the statement(s) and all documents which reflect, refer or related to such statement(s)

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 30

30. Does BellSouth agree that, notwithstanding the FCC's declaration early last year that ISP traffic is jurisdictionally mixed and substantially interstate, state commissions may determine that such traffic is subject to the reciprocal compensation provisions of interconnection agreements? Explain.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 31

31. Is ESP traffic originated by BellSouth end users transported to MCI WorldCom's network via trunks carrying jurisdictionally mixed traffic?

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 32

32. Has BellSouth, or anyone else, prepared any cost studies demonstrating the cost differences, if any, between transporting and terminating ESP-bound traffic and other types of local traffic.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 33

33. Does BellSouth contend that it would violate any federal law or rules if the Tennessee Regulatory Authority were to find that, under the MCI WorldCom and BellSouth interconnection agreement, traffic bound for ESPs is subject to the reciprocal compensation provisions of the agreements?

a. If so, which federal law or rules would be violated and how?

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 34

34. Does BellSouth allow ESPs to collocate their equipment in BellSouth central offices? If the answer to this question is anything other than an unequivocal "no," please identify the ESPs that are currently collocated in BellSouth central offices, including the BellSouth central offices that currently house collection arrangements between BellSouth and ESPs.

MCI WorldCom's 1st Set of Interrogatories to
BellSouth Telecommunications, Inc.
Tennessee Regulatory Authority
Docket No. 99-00662
April 13, 2000
Interrogatory No. 35

35. Does BellSouth agree that the provisions in the MCI WorldCom and BellSouth interconnection agreement regarding the treatment of local traffic favor neither MCI WorldCom nor BellSouth and are of potentially equal benefit to both?

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CLEC Policy - Unintended Consequences

In North Carolina CLECs have 9,092 trunks from BST to their POPs while only 3,360 trunks are in service from their POPs to BST switches. We have been informed by USLEC that they will require to add 16,688 additional trunks from BST into their POPs over the next two months. No additions are planned from their POPs to BST switches. These additions will bring the total trunks from BST to CLECs to 25,780 or 7.7 times the number needed for their customers to call BST customers.

This creates significant financial loss to BST. In some cases the CLECs mirror BST pricing. On a recent installation of trunks from BST to a CLEC the installation charges totaled \$109.53 per trunk. At this rate the installation of the trunks in the first paragraph would result in BST paying out \$2.82M while we receive only \$0.37M. Minute-of-use billing for trunked traffic results in similarly disparate monthly billing between BST and CLECs. This is certainly not the balanced reciprocal relationship that was envisioned when contracts were negotiated.

Our current efforts to remedy this situation by refusing to pay minutes-of-use to Enhanced Service Providers have resulted in contentious and litigious relationships that are not conducive to healthy ongoing business activity. We may reasonably expect the CLECs who are offended by our position to use all available legal and regulatory venues to air their concerns. Whether we win or lose the issue, the resulting uncertainty will not enhance our position as an active supporter of competition who should be allowed into the long distance business.

Most of this situation is generally understood so far. What seems to be missing in most of the discussions I have heard is a clear view of the root cause of this dilemma. When negotiating contracts with CLECs for local traffic interconnection we could have chosen a simpler bill-and-keep strategy that would not have provided perverse incentives to the CLECs.

Bill-and-keep has been used with independent companies for several years. It has resulted in improved relationships, simpler interfaces, and an almost total absence of billing disputes. The one issue that developed in the bill-and-keep environment was efforts by interexchange carriers to avoid access charges by arranging with independent companies to route interlata traffic through bill-and-keep trunks where call recording is not required. Once this problem was understood, it was relatively simple to detect the offending independent companies and prosecute the issue.

One way to improve relations with CLECs might be to offer bill-and-keep as an alternative to the impending litigation that has resulted from our current contracts with their inherent perverse incentives.


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Dated this 13th day of April, 2000.

Respectfully submitted,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: 
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(615) 252-2363

Certificate of Service

I certify that copies of the foregoing have been hand delivered to counsel for BellSouth Telecommunications, Inc. this 14th day of April, 2000.

Henry Walker
Henry Walker HL